

CORPORATE GOVERNANCE IN LIBYAN PUBLIC LISTED COMPANIES

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I certify that any help had received in preparing this thesis and all the sources that used have been acknowledged.

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ABSTRACT

The purpose of this study is to look into the relationship between corporate governance and firm financial performance in Libyan public listed companies. All the data was collected using questionnaires and also secondary data gathered through use of annual reports for public listed companies in Libya from the Central Bank of Libya. A total of 250 questionnaires were distributed to most of the public listed companies. The correlation analysis was looked into for determining the relationship of different variables that were used in this study which are ownership, responsibility of board and management, shareholders and stakeholders, and disclosure and auditing. Even though the questionnaires that were submitted were only 144 it was concluded that there is no significant relationship between corporate governance and firm financial performance considering the variables used. The lack of adequate time to complete a full analysis of the findings and data gathered may also have contributed to the results of this study. Also getting the questionnaires back from different respondent was hard although enough questions were made available to carry out the study. Since the study focuses on use of Likert scale, correlation analysis, and regression analysis used to determine the significant of the variables used, the major contribution of this study was to compare if there is relationship between corporate governance and firm financial performance in Libyan public listed companies. This will help to determine the influence of corporate governance in public listed companies operating in Libya. This study looked at the corporate governance and firm financial performance for public listed companies in Libya.

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LIST OF ABBREVIATION

Abb.	Full Lists
C G	Corporate Governance
LSE	Libyan Stock Exchange
LCB	Libyan Central Bank
GPTC	General Post and Telecommunication Company
GPTITC	General Post Telecommunication and Information Technology Company
OPEC	Organization of the Petroleum Exporting Countries
ROA	Return on Assets
ROE	Return on Equity
ROI	Return on Investment
FFP	Firm Financial Performance
SH	Shareholders
BM	Board and Management
OW	Ownership
CEO	Chief executive officer
DEA	Data Envelopment Analysis
OECD	Organization for Economic Cooperation and Development
FP	Firm performance (ROA)
UN	United Nation

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Corporate governance and financial performance looks into the regulatory authority and the distribution of rights among the board of directors, shareholders, and other stakeholders where business affairs are managed towards prosperity and corporate accountability (Zmokhol 2005). The main goal of corporate governance is making sure that organizations such as public banks and oil companies operating in Libya are financially viable and looking into the going concern of the company.

Good corporate governance is the key to the integrity of corporations, financial institutions, and markets as well as being the central health of Libyan economy and its stability (Rogers, 2008). The financial performance of Libyan listed companies can be considerably influenced by the firm financial performance imposing certain rules and regulations to the corporate governance practices. The international financial landscape is changing rapidly, economies and financial systems are undergoing traumatic years, globalization and technology are also continuing to spread, financial arenas are becoming more open, new products and services are being invented and marketed and regulators everywhere are scrambling to assess the changes and master the turbulence (Rogers, 2008). According to Rogers (2008), the importance of governance in developing countries is to strengthen the foundation of society and chip into the global economy where sustainability will be looked into for the success of a company. This also seems to be the same strategy that Libya is adopting when it comes to corporate governance and accessing the financial performance of public listed companies.

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